GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:415
ANSWERED ON:24.04.2000
CELLULAR SECTOR
UMMAREDDY VENKATESWARLU

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the cellular sector has grown faster than ever anticipated in the country;

(b) if so, whether revenues for the cellular companies have exceeded all the original estimates made by the Government;

(c) if so, the details thereof;

(d) whether many initial licensees have now gone out of business and the industry is getting slowly concentrated in the hands of only few companies;

(e) if so, the details thereof;

(f) whether the Government propose to prevent the development of emerging monopolies in this sector; (g) if so, the details thereof; and (h) the steps proposed to be taken by the Government to avoid such concentration of power in a public utility?

Answer

MINISTER OF COMMUNICATIONS

(SHRI RAM VILAS PASWAN)

(a) to (h): A statement is laid on the Table of the House.

LOK SABHA STATEMENT IN RESPECT OF PARTS (a) TO (h) OF LOK SABHA STARRED QUESTION NO.415 FOR 24TH A
2000 REGARDING CELLULAR SECTOR.

(a) The subscriber base for the cellular service has generally exceeded the projections of the operators in Metro cities but has been generally less than that anticipated by the operators in Telecom Circles.

(b) & (c) : Government had not made independent estimates of revenue likely to be earned by licensees of Cellular Mobile Telephone Service. However, the actual revenues have not exceeded the anticipated revenues based on the projections of the bidders.

(d) to (h) : Six licenses of cellular service were terminated due to non-payment of license fee dues. Five out of these have now been offered revival of their licenses along with package for simultaneous migration to New Telecom Policy- 99 regime. Decision in principle to offer migration package on revival of the remaining sixth license has also been taken. The licenses are not transferable. However, the existing promoters/partners of the licensee companies are permitted to transfer their equity after a specified lock-in period. While permitting equity changes in the licensee companies at present, the Governmentis putting a condition that the same company/ legal person will not hold equity in two licensee companies for the service in the same service area.